

**NOTICE OF A REGULAR MEETING OF THE  
PUBLIC SAFETY PERSONNEL RETIREMENT BOARD OF THE  
TOWN OF CLARKDALE**

**Thursday, April 20, 2017 at 4:30 P.M.**

**Administration Conference Room, 39 N. 9<sup>th</sup> Street, Clarkdale, Arizona**

In accordance with Resolution #215 of the Town of Clarkdale, and Section §38-431.002 of the Arizona Revised Statutes,

NOTICE IS HEREBY GIVEN that the Public Safety Personnel Retirement Board of the Town of Clarkdale will hold a Regular Organizational Meeting on Thursday, April 20, 2017 at 4:30 p.m. in the Town of Clarkdale Administration Conference Room, 39 N. 9<sup>th</sup> Street, Clarkdale, Arizona. Members of the Clarkdale Local Public Safety Retirement Board will attend either in person or by telephone, video or internet conferencing. Pursuant to A.R.S. §38-431.03, the Board may vote to recess the meeting and move into Executive Session on any item, which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda.

Supporting documentation and staff reports furnished to the Board with this agenda are available for review on the Town website at [www.clarkdale.az.gov](http://www.clarkdale.az.gov) and the Town Clerk's Office.

The undersigned hereby certifies that a copy of this notice was duly posted on the Community Development Building bulletin board, located at 890 Main Street, Clarkdale, Arizona on April 17, 2017 at 1:00 p.m.

All members of the public are invited to attend.

Dated this 17<sup>th</sup> day of April, 2017

TOWN OF CLARKDALE  
By

**Mary Ellen Dunn**  
MARY ELLEN DUNN  
DEPUTY TOWN CLERK

*As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize*

**ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.**

1. **CALL TO ORDER.**
2. **PUBLIC COMMENT.** The Local Board of the Public Safety Personnel Retirement System for the Town of Clarkdale invites the public to provide comments at this time. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public

comment shall be limited to directing staff to study the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Board Secretary during the meeting. Each speaker is asked to limit their comments to five minutes.

3. **CONSENT AGENDA** – The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Board. All items are approved with one motion. Any items may be removed for discussion at the request of any Board Member.

- A. **APPROVAL OF MINUTES OF THE LOCAL BOARD.** Approval of the Minutes of the Regular Meeting held October 12, 2016.

### **NEW BUSINESS**

4. **APPROVAL OF ELECTION TO ENTER INTO DEFERRED RETIREMENT OPTION PLAN (DROP)** – Consideration and approval for entry into DROP program by Sergeant Troy Smith.
5. **REPORT ON UPCOMING BENEFIT CHANGES IN PSPRS** – A report by member Ben Kramer explaining upcoming benefit changes and options in the system.
6. **FUTURE AGENDA ITEMS** – Listing of items to be placed on a future Board agenda.
7. **ADJOURNMENT.**

Reasonable accommodations may be requested by contacting Town Hall at (928) 639-2453 at least 72 hours in advance of the meeting.

***MINUTES of a REGULAR MEETING OF THE PUBLIC SAFETY  
PERSONNEL RETIREMENT BOARD OF THE  
TOWN OF CLARKDALE,  
HELD AT 4:30 P.M. ON WEDNESDAY, October 12, 2016 IN THE ADMINISTRATION  
CONFERENCE ROOM, TOWN HALL, 39 N. 9<sup>TH</sup> ST., CLARKDALE, ARIZONA***

**CALL TO ORDER – Meeting was called to order at 4:36 p.m. by Chair Bohall.**

Board Members:	Chair	Curt Bohall
	Vice Chair	Ben Kramer
	Boardmembers	Tommy Nester
		Officer Mike Brundridge
		Sergeant Troy Smith

Staff Member: Mary Ellen Dunn, Board Secretary

**ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.**

**PUBLIC COMMENT.** The Local Board of the Public Safety Personnel Retirement System for the Town of Clarkdale invites the public to provide comments at this time. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment shall be limited to directing staff to study the matter for further consideration and decision at a later date. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Board Secretary during the meeting. Each speaker is asked to limit their comments to five minutes.

**There was no public comment.**

**CONSENT AGENDA –** The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Board. All items are approved with one motion. Any items may be removed for discussion at the request of any Board Member.

- A. APPROVAL OF MINUTES OF THE LOCAL BOARD.** Approval of the Minutes of the Regular Meeting held May 25, 2016.

**Ben Kramer moved to approve Consent Agenda item A, Minutes from the Regular Meeting held May 25, 2016. Mike Brundridge seconded the motion. The motion passed unanimously.**

**NEW BUSINESS**

**APPROVAL AND ACCEPTANCE OF NEW BOARD MEMBERS.** The local Pension Board approves and accepts Sergeant Troy Smith (incumbent) as the new Officer Member of the Local Pension Board for the terms expiring September 30, 2018, Tommy Nester, term expiring September 30, 2017, and Ben Kramer (incumbent), term expiring September 30, 2018.

Sergeant Troy Smith won by secret ballot for the position of Officer Member of the Local Board. The Citizen Members of the Board were approved by the Clarkdale Town Council on September 13, 2016. Tommy Nester and Ben Kramer (incumbent) were appointed with terms expiring September 30, 2017 and September 30, 2018 respectively.

**Ben Kramer moved to approve and accept Sergeant Troy Smith (incumbent) as the new Officer Member of the Local Pension Board for the terms expiring September 30, 2018, Tommy Nester, term expiring September 30, 2017, and Ben Kramer (incumbent), term expiring September 30, 2018. Mike Brundridge seconded the motion which carried unanimously.**

**SELECTION OF VICE CHAIR.** Local Board action and appointment of a Vice Chair to the Local Board.

Pursuant to Town of Clarkdale Model Uniform Rules of Local Board Procedure (C)(2), adopted on April 3, 2013, “the Chair may, in his/her absence, designate an alternate to act as Chair”.

**Tommy Nester moved to designate Ben Kramer as a Vice Chair. Troy Smith seconded the motion and it passed unanimously.**

**BOARD REVIEW AND APPROVAL OF 2015 GSB ACTUARIAL REPORT.** The 2015 annual actuarial report is reviewed and new rates accepted annually by the Board.

The State Board of Trustees requires that each year the Local Board review the most current annual actuarial report and formally accept the new rates.

**Ben Kramer moved to accept the new rates determined by the System. Mike Brundridge seconded the motion which passed unanimously.**

**FUTURE AGENDA ITEMS** – Listing of items to be placed on a future Board agenda.

**ADJOURNMENT:** Without objection Chair Bohall adjourned the meeting at 4:42 p.m.

Submitted by:

Approved by:

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Mary Ellen Dunn, Secretary

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Curt Bohall, Chair



# Staff Report

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Agenda Item: **APPROVAL OF ELECTION TO ENTER INTO DEFERRED RETIREMENT OPTION PLAN (DROP)** – Consideration and approval for entry into DROP program by Sergeant Troy Smith.

Meeting Date: April 20, 2017

Prepared By: Mary Ellen Dunn, Local Board Secretary

Background: Pursuant to A.R.S. § 38-847(D) (1) it is the duty of the local board to decide all questions of eligibility for benefits and to determine the amount, manner and time of payment of any benefits under the system. Sergeant Troy Smith has elected to enter into the Deferred Retirement Option Plan (DROP) with an effective date of April 1, 2017.

DROP is a retirement option for members. A member who participates in this program defers their retirement for a specific timeframe, but continues active employment. At the end of this specified time, the member receives a lump sum payment of pension benefit monies that earned interest. The decision to participate is voluntary and irrevocable, with participation limited to 60 months (5 years). A member must have at least 20 years of credited service in order to participate. Benefit is calculated based upon the years of credited service and average monthly compensation at their DROP participation date. This calculated amount accumulates on a monthly schedule and earns interest. During the DROP period neither the employer nor the employee makes contributions to PSPRS.

Sergeant Smith entry into this program has an effective date of April 1, 2017. He has elected to participate for a period of 60 months. Sergeant Smith will terminate employment and retire on or before March 31, 2022.

Recommendation: Staff recommends the Board approve application to the Public Safety Personnel Retirement System for Sergeant Troy Smith to participate in the DROP program and for the payment of such retirement benefits to Sergeant Smith upon actual retirement.



# Staff Report

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<u>Agenda Item:</u>	<b>REPORT ON UPCOMING BENEFIT CHANGES IN PSPRS –</b> A report by member Ben Kramer explaining upcoming benefit changes and options in the system.
<u>Meeting Date:</u>	April 20, 2017
<u>Prepared By:</u>	Mary Ellen Dunn, Local Board Secretary
<u>Presented By:</u>	Ben Kramer, Local Board Member
<u>Background:</u>	<p>In response to 2008-2009 losses during the housing market crash that similarly affected public pensions, Senate Bill 1428 was passed to address the instability of the existing plans in the Public Safety Personnel Retirement System and the adverse effects reflected on the municipalities that participate.</p> <p>Senate Bill 1428 creates a new tier of benefits for newly hired employees covered under the plan, establishes a defined contribution plan as a benefit option, modifies how the Plan provides for Permanent Benefit increases, and requires a study to be performed for possible risk-pooling and local board consolidation.</p> <p>Ben Kramer, our local board member who is also a participant in PSPRS, has an understanding of some of the curious aspects of these changes that he will share with our group.</p>
<u>Recommendation:</u>	This is a presentation only. No Board action is required.